Government of Saskatchewan

Annual Report 1986 - 1987

New Careers Corporation

89-03448/

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LETTER OF TRANSMITTAL

Regina, Saskatchewan

To His Honour
The Honourable Frederick W. Johnson
Lieutenant Governor of the Province
of Saskatchewan

Sir:

I have the honour to submit herewith the annual report of New Careers Corporation for the period May 1, 1986 to April 30, 1987 including financial statements for the year duly certified by the Provincial Auditor, in a form approved by Treasury Board, all in accordance with the Crown Corporation Act 1978.

Respectfully submitted,

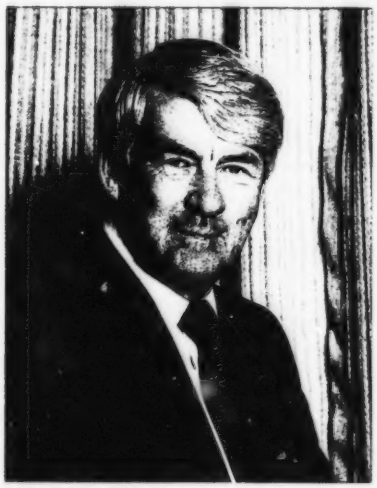
Colin Maxwell

Colin Maxwell,
Minister Responsible for
New Careers Corporation

CHAIRMAN'S REMARKS

During the past three years, the New Careers Corporation's integrated program of work experience, counselling, and skills training has demonstrated that it is an effective means of rehabilitation for the long term unemployed. As a construction company, we are meeting our objective of completing capital projects within 10% of the value of the project; as a training organization, our trainees are maintaining an 81% success rate in graduating from instructional courses; as an employment company, 86% of our trainees completing their career plans are finding full time employment.

Our demonstrated effectiveness has resulted in the Board of Directors recommending to Government that the New Careers program should be expanded to enable more trainees to take advantage of the program and that the program should become a permanent part of the Government's welfare reform strategy.



Edward J. Brady

ORGANIZATION

New Careers Corporation is governed by a board of directors which includes members from the provincial departments of Social Services, Advanced Education and Manpower, Parks and Renewable Resources, and the private sector. The Chairman of the Board is from the private sector and the Vice-Chairman also serves as Chief Executive Officer for the Corporation. Twenty employees make up the management of the Corporation.

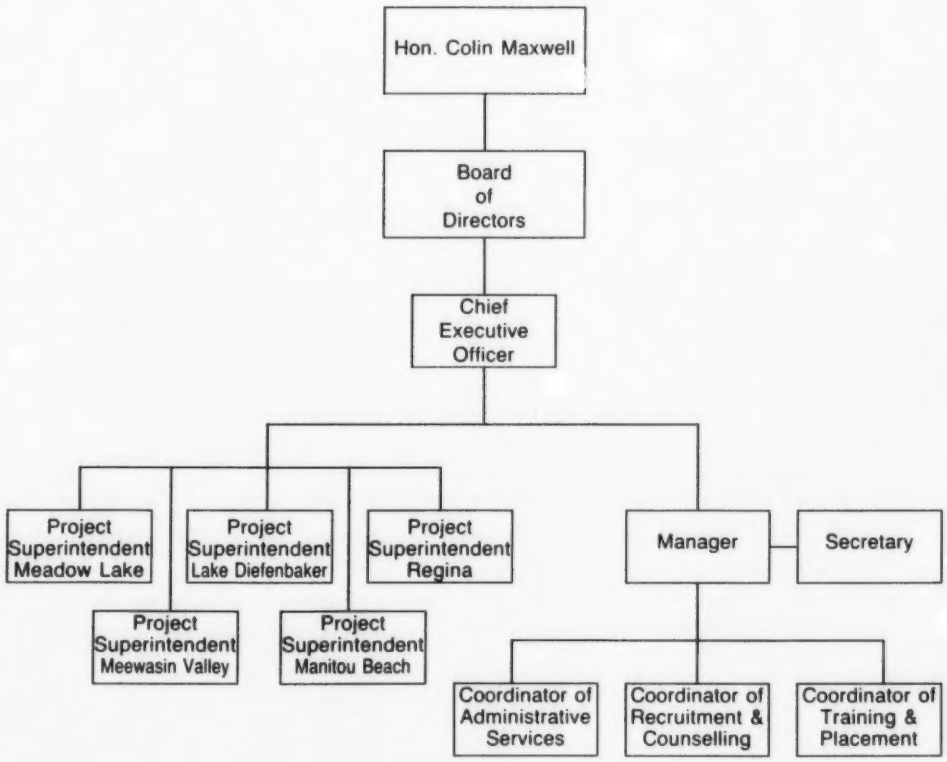
Minister responsible for New Careers Corporation
Honourable Colin Maxwell

Chairman of the Board
Edward J. Brady

Vice-Chairman and Chief Executive Officer
Brian F. Woodcock

Members
Alan Appleby
Dan Cunningham
Ross MacLennan
Bill Marr
Dawn Radford

Manager and Secretary to the Board
Terry A. Lyons



THE CORPORATE PROFILE

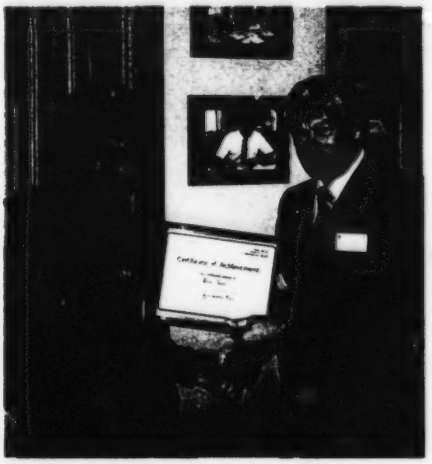
New Careers Corporation was established in May of 1984 as a three year pilot program to provide employment and training to individuals in receipt of provincial financial assistance. The Corporation contracted with the Department of Parks and Renewable Resources to construct capital works programs in Meadow Lake Provincial park, at Lake Diefenbaker, and at Rowan's Ravine Provincial Park. These projects would be used to provide the training and job experience opportunities for the program.

The Corporation established project campsites in or adjacent to small communities in an attempt to maximize economic spin-offs and foster public relations. Local suppliers are used whenever possible and heavy construction equipment is rented from private contractors. The Corporation has found that the program has been well received by local communities which have benefitted from the additional influx of revenues and have become strong supporters of the program as they watch the projects and the trainees develop.

The first three years of the program have demonstrated that social assistance recipients can be productive and can construct quality projects. It has become evident that an integrated approach, such as the New Careers Program, is a cost effective method of returning the long term unemployed individual to the workforce. NCC's developmental model is beginning to pay dividends. During the first four years of the program, the number of trainees completing the program and leaving for employment has increased four fold. This is a natural progression since it takes 18 months on average for a trainee to become job ready.

This year, the Board of Directors has approved additional projects for the Corporation which are variants of the core program with Parks and Renewable Resources. We have entered into an agreement with the Meewasin Valley

Marina at Rowans Ravine Provincial Park



Graduation Presentation: Chairman Ted Brady trainee Rene Dubois

Authority in Saskatoon to assist them in restoring erosion along the banks of the South Saskatchewan River. Funding for this project is provided by the Saskatchewan Employment Development Program (SEDP), Meewasin Valley Authority, University of Saskatchewan, and the Corporation. In addition, the Board approved NCC participation in a project to act as labour subcontractor to build a mineral water spa at Manitou Beach near Watrous, Saskatchewan. The Meewasin Valley Project will provide approximately 20 jobs during the project and the Manitou Beach Project will employ 26 trainees. The Corporation also successfully carried out a right-of-way clearing project for Saskatchewan Power Corporation at Nipawin Provincial Park. This project demonstrated that hand clearing is as efficient and economic as mechanized clearing. This type of project has great potential as an employment program, particularly in the North.

Official Opening, Elbow Harbour Marina (July 13, 1986)

NCC'S DEVELOPMENT MODEL

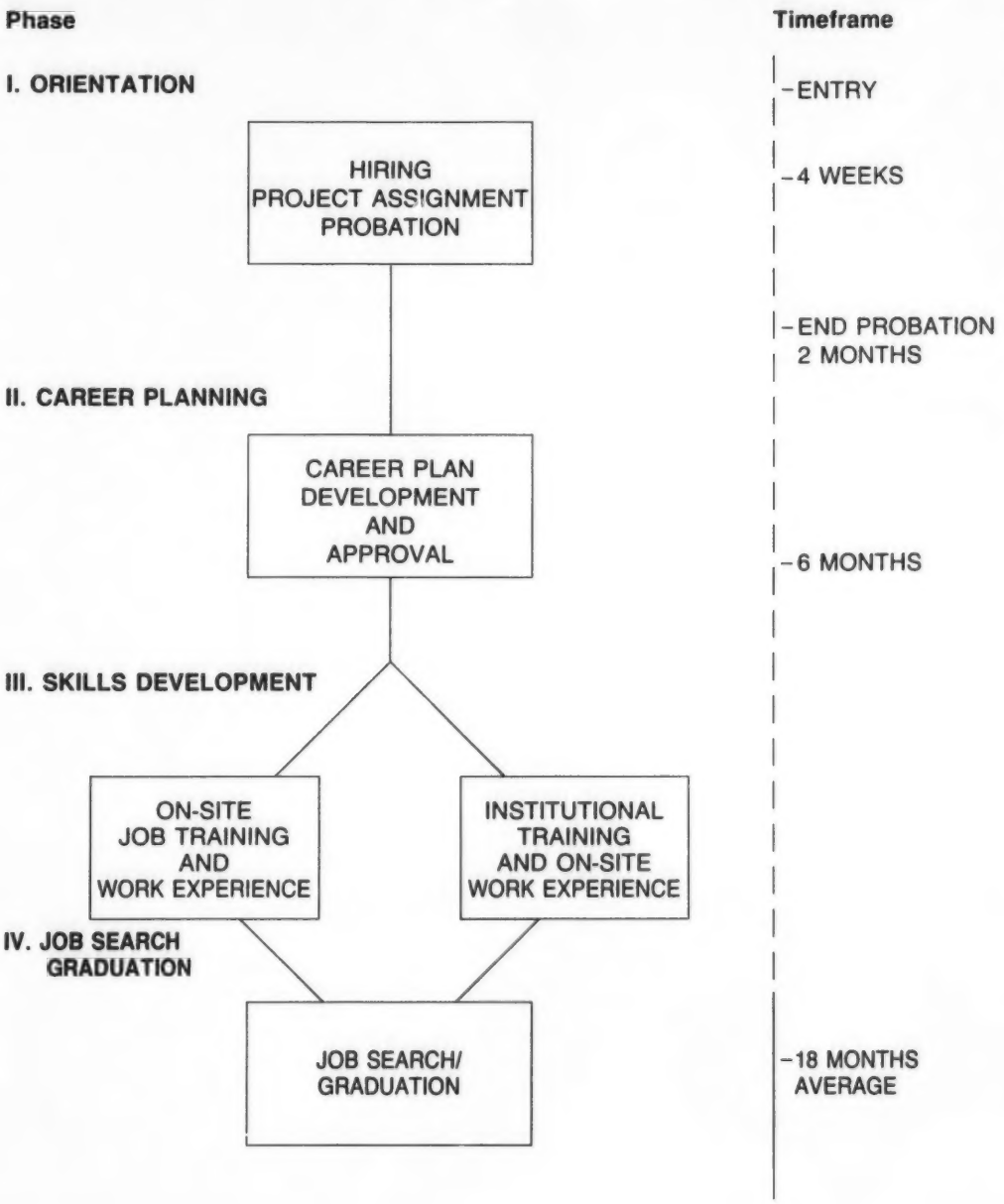
The objective of NCC's Personal Development Program is transfer of the full range of skills required to move trainees from dependence on provincial financial assistance to full employment. The standard for performance is the trainee who increases his/her employability to become job ready and 'graduates' from NCC to a steady job in his/her chosen field.

NCC initiates referrals from the Department of Social Services by submitting requests for people to fill the positions it expects to have available at the project sites. The Assessment and Placement Units (APU's) of the Department of Social Services then attempt to match the characteristics of the NCC jobs with qualified people from the APU inventories of employable assistance recipients. Lists of suitable candidates are submitted to the NCC Coordinator of Recruitment and Counselling for further screening and interviews. The Corporation has two critical factors when interviewing applicants, attitude and suitability for the program. All other factors such as experience and education are secondary. Once hired by NCC, the trainee receives an orientation briefing and is assigned to a project site. All trainees start work with NCC at the entry wage level with provisions for increases based on achievement and responsibility. An initial probationary period of two months is used to determine the trainee's suitability to the New Careers program. During that period, the trainee is assisted by counselling staff in development of a career plan outlining the type of training that is intended, the objectives in long term employment, and a schedule to meet the various requirements along the way. During periods of institutional training, usually in the winter, trainees are supervised by members of the New Careers instructional staff. As the trainees complete their career plans, they enter the job search course which provides assistance in development of resumes, job search techniques, and interview techniques. Once a trainee graduates from the Corporation, a new trainee is hired and the process repeats itself.

Continued monitoring of the integrated program has led to refinements and modifications. For example, it has been determined that it can take from 12 to as long as 24 months to eliminate employment barriers and prepare a trainee for full-time employment. A good average has been determined to be 18 months and the personal career plan has been modified to incorporate all required activities within the 18 month timeframe. Provision is made for those trainees who develop more slowly to remain in the program, if required.

Bridge construction, Meadow Lake Provincial Park

CAREER DEVELOPMENT PROGRAM FLOW CHART



THE TRAINEES

A total of 262 trainees have been employed by the Corporation to date. 190 trainees have been employed at the Corporation's three major projects at Meadow Lake, Lake Diefenbaker, and Rowan's Ravine; 62 trainees at Meewasin Valley project and 10 at Manitou Beach which is just getting underway. A total of 81 trainees have taken 112 institutional training courses at various institutions throughout the province since the program began. The success rate remains at 81%. Of those trainees successfully completing their Career Plans, 86% have found full employment.

Trainees range in age from 18 to 62 years, with the average age at time of hiring remaining at 31 years. The average trainee has five years of work experience and one-half of the trainees come to NCC with less than grade ten education. This has resulted in some trainees beginning their institutional component with an upgrading class to get them to a grade certificate appropriate for the entry requirement of their chosen skill. Trainees meeting the institute's entry standards are placed by the Corporation into their chosen skill program.

During the year, our training staff conducted a number of on-site courses for the trainees. Those included defensive driving, alcohol and drug sessions, group counselling, and job finding techniques.

Sod laying — all in a days work

A typical day in the life of one of our trainees at the Elbow site during the summer of 1986 would begin at 5:30 a.m. The crew is presently working a 10 hour shift, 4 days each week and taking 3 days off to allow trainees sufficient time to get home for the weekend. Breakfast is served at the Elbow Hotel Cafe from 5:45 to 6:45 a.m. At 6:45, all staff and trainees meet at the project site office for a briefing on the day's activities. Today the crews are assigned to completing the marina landscaping in preparation for the official opening scheduled for July 13, 1986. At 7:00 a.m., the work day starts and our trainee is working with the sod laying crew. This involves moving the sod pieces from the sod truck to prepared areas to be sodded. At 9;30, everyone takes a 15 minute coffee break and then continues placing sod. At 11:00 a.m., our trainee is scheduled for a session with a career counsellor to complete his Career Plan. The counsellor arrives at the work site, picks up the trainee, and they go to the project site office. The session lasts from 11:00 a.m. until lunch. The final details of the Career Plan are worked out between the trainee and counsellor, including the type of skills course, the location, length of course and start date. The counsellor will now process the proposed Career Plan through the Superintendent and the Coordinator of Recruitment and Counselling for final approval. A follow-up session is scheduled and it's time for lunch. Lunch is served from 12:00 to 1:00 p.m. at the cafe. After lunch, it's back to work until the 3:30 coffee break. The trainee continues working with the crew until 6:00 p.m. when all return to the project site office for general debriefing and signing of time cards. Now his time is his own, he has supper from 6:30 to 7:30 p.m. It's been a long, hot day. If he's not too tired, he may join his fellow trainees in a ball practice or even go down to the lake for a bit of fishing before bed and a well-deserved sleep. Tomorrow morning's 5:30 wake-up call comes early.

THE PROJECTS

The number of major projects undertaken by the Corporation has increased from the original three projects for the Department of Parks and Renewable Resources to a total of five major projects. The two additional projects are located at Saskatoon and Manitou Beach. The Saskatoon project is a 44 week project with potential to become an on going project. The Manitou Beach Project will likely terminate upon completion of the construction of the mineral spa facility programmed for December 1987 or January 1988.

The Meadow Lake Provincial Park project is in the third year of operation. From the camp at Goodsoil, Saskatchewan, the crews have completed construction of the 20 km. park access road, completed the construction of the 160 foot timber bridge in the late fall across open water by leap-frogging 20' spans, and are now concentrating on completing the 120 site campground. It is expected that construction will be complete by the fall of 1987 and that the campground will be fully operational for the 1988 camping season.

The Lake Diefenbaker project at Elbow, Saskatchewan is on schedule. The 100 boat marina was operational in 1985 and completed this spring. Approximately 800 people attended the official opening of this facility on July 13, 1986. The ribbon cutting ceremonies were performed by the Honourable Colin Maxwell, Minister of Parks and Renewable Resources and Minister responsible for New Careers Corporation on behalf of the Province of Saskatchewan. This first class marina facility is already being well used by the boating public.

Crews began construction of an 18 hole, irrigated, grass green golf course in 1986 and this work continues. To date, the first nine holes are nearly completed and ready for seeding. The irrigation system is complete, pumphouse and storage reservoirs are complete. It is expected that nine holes will be playable by the fall and the golf course will be fully operational for the 1988 golfing season.

During the winter months, trainees who were not at school cleared 2200 meters of road, cleared 84 campsites, and cleared 300 meters

Pierce Narrows, Bridge Meadow Lake Provincial Park

of pathways for walk-in campsites at Douglas Provincial Park. These trainees also cut and stockpiled 360 cords of wood for campers' use in the park.

The Rowan's Ravine Provincial Park project crews have completed construction of the marina started last year. During the winter months, the crews have been prefabricating the floating dock structures for the marina. This project is expected to be completed by the 1987 boating season opening. This crew is also working in the Park, cutting and stockpiling firewood, landscaping, tree planting, and tree pruning.

During the winter months, crews from the Elbow site and the Rowan's Ravine site participated in inter-site recreational activities. A hockey game was held at Elbow with a return match at Rowan's. These events are considered well worthwhile as they have resulted in increased morale and a chance for crews to meet and see each others projects.

The Meewasin Valley crew were involved in a variety of projects on behalf of the Meewasin Valley Authority and the University of Saskatchewan. The project started on July 16, 1986. The crews commenced restoration activity at Devil's Dip at the University of Saskatchewan. This project was completed in September and crews moved to Sutherland Beach area for landscaping, pruning of trees, and area clean-up. One crew was assigned to the University of Saskatchewan to assist archeologists in the re-assembly of dinosaur artifacts. The crews spent the winter months building the backdrops and staging for the 1987 Telemiracle, constructing a clubhouse for the Saskatoon Snowmobile Club, and prefabricating furniture for Regional parks. In April 1987, the Meewasin Valley Project was extended for a further 44 weeks.

On March 18, 1987, the Corporation entered into a contract with Jaynell Incorporated and the Saskatchewan Employment Development Program on behalf of the Manitou Beach Mineral Spa Company to act as the labour subcontractor to build a $1.5 million mineral spa facility. This unique public and private sector venture was the first of its kind in Saskatchewan. To date, the site has been cleared, grade beams and footings have been poured and the masonry subcontractor has started construction of the walls. When trainees are not working on the pool, they are carrying out renovation and landscaping at Camp Easter Seal, in the Village of Manitou, the Town of Watrous, and at the Golf Course.

This facility which is expected to generate significant tourism benefits and spin off additional local investment, is expected to be operational in the fall of 1987.

Dock construction, Rowans Ravine Provincial Park

AUDITORS' REPORT

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of the New Careers Corporation as at April 30, 1987, and the statements of revenue and expenditure, accumulated operating surplus (deficit) and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statement present fairly the financial position of the Corporation as at April 30, 1987 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in note 2 to the financial statements applied, after giving retroactive effect to the change in the basis of accounting for revenue, expenditure and fixed assets as explained in note 3 to the financial statements, on a basis consistent with tl.at of the preceding year.

Regina, Saskatchewan
May 4, 1988.

W.G. Lutz, F.C.A.,
Provincial Auditor

NEW CAREERS CORPORATION

BALANCE SHEET

As At April 30

	1987	1986
ASSETS		
Current		
Cash	$ 615,875	$ 69,644
Accounts receivable	58,637	20,545
Prepaid expenses	1,597	1,686
Fixed assets (Notes 2 and 3)	113,139	88,194
	$ 789,248	$ 180,069
LIABILITIES AND EQUITY		
Current		
Accounts payable and accrued liabilities	$ 434,403	$ 520,053
Deferred revenue (Note 4)	290,934	—
Equity in Fixed Assets (Notes 2 and 3)	113,139	88,194
Accumulated operating deficit (Statement 3)	(49,228)	(428,178)
	$ 789,248	$ 180,069

(See accompanying notes to the financial statements)

FINANCIAL REPORT

NEW CAREERS CORPORATION
STATEMENT OF REVENUE AND EXPENDITURE
For the Year Ended April 30

	1987	1986
Revenue		
Province of Saskatchewan grants	$ 4,109,000	$ 2,610,000
Contractual revenue	485,135	606,571
Equipment rental revenue	6,638	15,132
Investment income	78,475	88,441
Total Revenue	4,679,248	3,320,144
Expenditure		
Operations:		
Executive administration	123,214	134,438
Administrative	269,478	234,958
Training	191,594	234,242
Capital Construction Projects:		
Supervisory salaries	349,865	347,696
Training employee wages	941,494	781,918
Project design costts	39,710	100,712
Materials and supplies	1,285,334	923,075
Support Equipment	208,553	222,517
Major equipment rental	601,384	507,180
Meals, camp operations and camp mobilization	281,023	238,025
Forestry stand improvements	—	7,150
Equipment repair and overhaul	4,649	15,302
Total Expenditure	4,300,298	3,747,213
Excess (deficit) of revenue over expenditure — (Statement 3)	$ 378,950	$ (427,069)

(See accompanying notes to the financial statements)

NEW CAREERS CORPORATION
STATEMENT OF ACCUMULATED OPERATING SURPLUS (DEFICIT)
For the Year Ended April 30

	1987	1986
Balance, beginning of year		
As previously reported	$ 69,644	$ (12,713)
Adjustment to accrual basis of accounting (Note 3)	(497,822)	11,604
As restated	(428,178)	(1,109)
Excess (deficit) of revenue over expenditure (Statement 2)	378,950	(427,069)
Balance, end of year (Statement 1)	$ (49,228)	$ (428,178)

(See accompanying notes to the financial statements)

NEW CAREERS CORPORATION
STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Year Ended April 30

	1987	1986
Cash provided by (used in):		
Operating activities		
Excess of revenue over expenditure (expenditure over revenue) (Statement 2)	$ 378,950	$ (427,069)
Add items not affecting cash:		
Deferred revenue	290,934	—
	669,884	(427,069)
Net change in non-cash working capital balances related to operations (Note 5)	(123,653)	10,364
Net Increase (decrease) in cash during the year	546,231	(416,705)
Cash and short-term investments, beginning of year	69,644	486,349
Cash, end of year	$ 615,875	$ 69,644

(See accompanying notes to the financial statements)

NEW CAREERS CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

April 30, 1987

1. Incorporation

New Careers Corporation was established by Order-In-Council #598/84, May 9, 1984 under the authority of Part I of the Crown Corporations Act, 1978.

2. Significant Accounting Policies

(a) The financial statements of New Careers Corporation are prepared on the accrual basis.

(b) Revenue Recognition — Contractual Revenue

Revenue from contract work is recognized as the contract progresses. Amounts received in excess of expenditures incurred on incomplete projects are reflected as deferred revenue.

(c) Fixed Assets

The Corporation utilizes fund accounting wherein fixed asset purchases appear in the statement of revenue and expenditure. To maintain accountability for fixed assets, it is necessary to record them as a balance sheet asset with a corresponding entry to "Equity in fixed assets." As asset purchases and sales appear in the statement of revenue and expenditure, no provision is made for depreciation of fixed assets. At the time of disposal or retirement, the cost of assets disposed of or retired is removed from fixed assets and "equity in fixed assets".

3. Change in Accounting Policies

During 1987, the Corporation retroactively changed its accounting policies by adopting the accrual basis of accounting to account for its revenues and expenditures and fund accounting to account for its fixed assets (Note 2). For comparative purposes, the financial statements of the prior period have also been restated.

The retroactive application of these changes in accounting policies resulted in:

(a) an increase in the operating deficit caused by the change from the cash basis to the accrual basis of accounting in the following amounts:

(i) Additional 1985 net revenue credited to operating deficit as at April 30, 1985	$ 11,604
(ii) Additional 1986 net expense debited to operating surplus as at April 30, 1986	(509,426)
Net increase in operating deficit as at April 30, 1986	$ (497,822)

(b) the inclusion of fixed assets and equity in fixed assets on the balance sheet in the following amounts:

April 30, 1986	$ 88,194
April 30, 1987	$ 113,139

4. Deferred Revenue

Saskatchewan Employment Development Program

During the year, the Corporation received $365,394 from the Saskatchewan Employment Development Program — Department of Social Services under agreements to assist in the construction and upgrading at Manitou Beach and South Saskatchewan Riverbanks in and around Saskatoon. As at April 30, 1987 the Corporation had an unearned portion of this subsidy of $290,934 which is reflected in the financial statements as deferred revenue.

5. Statement of Changes in Financial Position

The net change in non-cash working capital balances related to the operations is comprised of the following:

	1987	1986
(Increase) in accounts receivable	$ (38,092)	$ (20,545)
(Increase) decrease in prepaid expenses	89	(1,671)
(Decrease) increase in accounts payable	(85,650)	32,580
	$ (123,653)	$ 10,364

6. Related Party Transactions

In accordance with established government practice, New Careers Corporation has not been charged with certain occupancy and administrative costs. These costs have been absorbed by the Department of Supply and Services.

Included in these financial statements are revenue and expense amounts resulting from routing operating transactions conducted at prevailing market prices with various Saskatchewan Crown-controlled departments, agencies and corporations with which the corporation is related.

Account balances resulting from these transactions are included in the statement of financial position and are settled on normal trade terms.

7. Capital Construction Projects

In keeping with its mandate, the Corporation has undertaken construction projects in order to provide career training and employment to individuals receiving provincial financial assistance. These construction projects are undertaken by the Corporation according to agreements with the Department of Parks, Recreation and Culture and the Village of Elbow.